

COUNTY OF YORK, VIRGINIA
REQUEST FOR PROPOSALS
RFP

Issue Date: January 7, 2004

RFP #: 1364

Title: Financial and Compliance Audit Services: Annual Contract

Classification Code: 94620

Issuing Agency: County of York, Virginia
Central Purchasing
120 Alexander Hamilton Blvd.
P.O. Box 532
Yorktown, Virginia 23690-0532

Using Agency And/Or Location
Where Work Will Be Performed: Financial & Management Services
Division of Budget & Financial Reporting
120 Alexander Hamilton Blvd.
Yorktown, Virginia 23690-0532

Sealed Proposals Will Be Received Until 5:00 p.m. on January 30, 2004 At Which Time They Shall Be Opened In Public.

NOTE: Eight (8) copies of your Proposal will be required.

All Inquiries For Information Should Be Directed To: Denise Messick, CPPB, Buyer II, Telephone: (757) 890-3680.

SEND PROPOSALS DIRECTLY TO THE ISSUING AGENCY SHOWN ABOVE.

In Compliance With This Request For Proposal, The Undersigned Offers To Provide The Requested Service(s) Shown in the Attached/Enclosed (A signed Letter of Transmittal may be substituted for this cover page).

Name and Address of Firm:

Zip Code

Date: _____

By: _____
Signature in ink

Title: _____

Telephone No.: () _____

Federal Tax ID# _____

Table of Contents

- 1.0 Purpose
- 2.0 Scope of Work to be Performed
 - 2.1 Meetings and Report Preparation
 - 2.2 Assistance to be Provided to the Auditor
 - 2.3 Additional Accounting Procedures
 - 2.4 Additional Required Procedures
- 3.0 Preproposal Conference
- 4.0 Proposal Preparation and Submission
 - A. Format of the Proposal
 - B. Contents of the Proposal
 - C. Right to Reject Proposals
 - D. Deadline for Submission
 - E. Inquiries
- 5.0 Evaluation and Award Criteria
 - A. Evaluation of Proposals
 - B. Evaluation Criteria
 - C. Award of Contract
- 6.0 Payment Terms
- 7.0 General Terms and Conditions for Professional Services
- 8.0 Special Terms and Conditions
- Sample Contract

1.0 PURPOSE

The Board of Supervisors of the County of York (hereinafter called the "County") requests qualified independent certified public accountants (hereinafter called the "Auditor") to submit proposals to enter into a term contract to perform a financial and compliance audit of the County and County School Division for the fiscal year 2004, with options to renew for four additional one-year periods (Fiscal Years ending June 30, 2004 through June 30, 2008).

2.0 SCOPE OF WORK TO BE PERFORMED

A. Financial Statements

The Auditor shall audit all funds of the County and its component unit, the York County School Division, in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards (GAS)* issued by the Comptroller General of the United States; the provisions of the OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the *Specifications for Audits of Counties, Cities and Towns issued by the Auditor of Public Accounts (APA)*. The audit shall result in the Auditor's opinions on the financial statements, the County's compliance and internal control over financial reporting in accordance with *GAS*, the County's compliance with OMB Circular A-133, and the County's compliance with Virginia's Laws, Regulations, Contracts and Grants. The County will prepare the financial statements from the audited records of the County with the Auditor's opinions thereon. The Auditor's opinions shall be unqualified unless the Auditor furnishes the County, on a timely basis, the reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion.

B. Supplementary Information and Statistical Section

The Auditor shall apply procedures and report on the required and other supplementary information included in the Comprehensive Annual Financial Report (CAFR), including the schedule of expenditures of federal awards. The Auditor is not required to apply audit procedures and report on the statistical section of the CAFR.

C. Internal Controls

In connection with the audit of the financial statements, the Auditor shall consider, test, and report on internal controls in accordance with Auditing Standards Generally Accepted in the United States of America (GAAS), *Government Auditing Standards*, OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Specifications for Audits of Counties, Cities and Towns*. The County reserves the right to request additional internal control test work as deemed necessary.

D. Compliance

In connection with the audit of the financial statements, the Auditor shall perform tests and report on compliance in accordance with *Government Auditing Standards*, OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Specifications for Audits of Counties, Cities and Towns*.

E. Component Units

The County has identified the York County School Division and the York County Industrial Development Authority as component units requiring inclusion in the County's financial statements.

F. Comparative Report Transmittal Forms

The Auditor of Public Accounts requires all local governments to complete Comparative Report Transmittal Forms in accordance with the provisions of the *Uniform Financial Reporting Manual*. The County shall prepare the required forms for submission to the Auditor. The Auditor shall perform the agreed-upon procedures specified in the *Uniform Financial Reporting Manual* and prepare the report on those procedures within five days of receiving such forms from the County.

2.1 Meetings and Report Preparation

A. Meetings

The selected Auditor shall schedule conferences between the Auditor and the appropriate level of management of the County and School Division before the preliminary work and throughout fieldwork. The purpose of these meetings is to keep management fully informed on the scope and progress of the audit.

B. Required Reports

Based on the audit work performed, the Auditor shall include the following reports in the CAFR unless otherwise indicated:

- (1) An opinion on the fair presentation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America,
- (2) An opinion on the fair presentation of the other supplementary information and the schedule of expenditures of federal awards in conformity with accounting principles generally accepted in the United States of America. The Auditor shall prepare a disclaimer of opinion related to the statistical section included in the CAFR.

- (3) A report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards*. The Auditor shall communicate all instances of noncompliance that could have a material effect on the financial statements in the report. The Auditor shall communicate all reportable conditions and material weaknesses in internal controls over financial reporting and its operation in the report.
- (4) A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133. The Auditor shall report all instances of noncompliance with the specific requirements for major federal program in the report on compliance and in the Schedule of Findings and Questioned Costs. The Auditor shall communicate all reportable conditions affecting major federal programs in the report. Further, the Auditor shall identify any material weaknesses in the report. Any finding or weaknesses shall be reported immediately to the appropriate level of management.
- (5) A report on compliance with the Commonwealth of Virginia laws, regulations, contracts and grants.
- (6) A report on the application of agreed-upon procedures relative to the Comparative Report Transmittal Forms. This report shall be forwarded to the County for submission with the forms to the Auditor of Public Accounts by November 30.
- (7) A report on the County's compliance with the Enhanced E911 Service tax. This report shall be forwarded to the County for submission to the Auditor of Public Accounts by November 30th.
- (8) The Auditor shall make an immediate, written report to the appropriate level of management of all management letter comments of which they become aware.
- (9) The Data Collection Form.

C. Draft Reports

The Auditor shall have drafts of the Auditor's reports, comments on the financial statements and recommendations to management available for review by the appropriate level of management by October 31st of each year. Any findings to be reported in accordance with 2.1(B) 4 and 5 above shall be available for review by the appropriate level of management by the same date.

D. Preparation and Presentation

The County shall be responsible for financial statement preparation, editing and printing and will have the copies completed by the second Tuesday in November of each year. The Auditor shall present the Comprehensive Annual Financial Report to the local

governing body at a public session before November 30th of each year.

- E. Submission of Reports to the Government Finance Officers Association (GFOA)
The County will submit its CAFR to the Government Finance Officers Association of the United States for review in its certificate of achievement program.
- F. Submission of Reports to the APA
The County shall be responsible for submitting copies of the CAFR and Management Letter to the Auditor of Public Accounts by November 30th of each year in accordance with Section 15.2-2510 of the *Code of Virginia*.
- G. Submission of Reports to Federal and State Agencies
The County shall be responsible for submitting copies of the CAFR to appropriate state and federal agencies.
- H. Submission of Transmittal Forms to the APA
The County shall submit the Comparative Report Transmittal Forms, including the Auditor's Agreed-Upon Procedures Report and Report on the County's Compliance with the Enhanced E911 Service, to the Auditor of Public Accounts by November 30th of each year.

2.2 Assistance to be Provided to Auditor

- A. Books of Account
The County shall fully balance the books of account, reconcile subsidiary ledgers to control accounts, and reconcile all bank accounts within 90 days of each fiscal year end.
- B. Schedules
The staff of the County shall prepare the following information:
 - (1) A final trial balance of each fund;
 - (2) A final trial balance of each subsidiary ledger;
 - (3) A schedule of federal expenditures by program;
 - (4) A copy of the final budget approved by the Board for the audit period, the original budget resolution for the audit period, and all subsequent amendments to the budget resolution;
 - (5) A copy of project contracts and amendments thereto for all projects beginning during the period or not fully completed prior to the period;
 - (6) A schedule of insurance in force during the year and of insurance expenses for the year;
 - (7) A schedule of investments held by all funds at the statement date showing both book value and estimated market value at the statement date;
 - (8) A schedule of capital outlays during the period;
 - (9) A schedule of capital asset dispositions during the period;
 - (10) A schedule of accounts payable at the statement date;
 - (11) Copies of grant agreements with governmental grantor or grantee agencies;

- (12) Copies of other significant contracts in force at statement date;
- (13) Such reasonable additional schedules as may be requested; and
- (14) Comparative Report Transmittal Forms completed in accordance with the requirements of the *Uniform Financial Reporting Manual* issued by the Auditor of Public Accounts.

C. Other Assistance

The staff of the County and responsible management personnel shall be available during the audit to assist the firm by providing information and explanations.

D. Current Funds of the County

Government Fund Types:

General Fund

Special Revenue Funds:

Children's Services / Head Start
Virginia Public Assistance

Debt Service Funds:

Fire and Rescue
Public Facilities
Education Debt Redemption

Capital Projects Funds:

Yorktown Capital Improvements Fund
County Capital Fund

Proprietary Fund Types

Enterprise Funds:

Joint Sanitary District Operations
York Sanitary District
Sanitary District No. 2
Yorktown Revitalization
Solid Waste
Water Enterprise
Water Utility
Sewer Utility
Water/Sewer Construction

Internal Service Fund:

Vehicle Maintenance

Agency Funds:

Yorktown Waterfront
Victory Monument Lighting
Law Library
Historical Committee
Peninsula Public Sports Facility Authority
Emergency Communications System Upgrade
Special Welfare
Mental Health Chapter X
Darby-Firby Neighborhood Corporation
Library Donations Special Welfare
Colonial Group Homes Commission
Library Foundation

Component Unit:

School Operating
School Food Services
School Construction Fund
Pension Trust Fund

2.3 Additional Accounting Procedures**A. Financial Assurance criteria for Municipal Solid Waste Landfills**

The County is required to demonstrate financial responsibility for post-closure care arising from operating a municipal solid waste landfill. The Auditor will prepare and evaluate the computation of excess of revenues over expenditures in accordance with the Federal Register (40 CFR Part 258, Subpart G) *Criteria for Municipal Solid Waste Landfills - Financial Assurance Criteria*.

B. Industrial Development Authority of York County

The County has identified the Industrial Development Authority as a component unit requiring inclusion in the County's financial statements. The Auditor shall conduct a separate audit and issue a separate opinion on the Authority in accordance with auditing standards generally accepted in the United States of America and *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts by September 30th each year, as required by the Code of Virginia .

2.4 Additional Required Procedures

The York County School Division prepares a separate financial report for its operations. The School Board sends a copy of its CAFR to the GFOA and Association of School Board Officials (ASBO) for review in the Certificate of Achievement Program and the Certificate for Excellence Program, respectively. A copy is also forwarded to the State Auditor of Public Accounts. The Auditor would be responsible for report preparation, editing and printing of this report. The Auditor would also be responsible for addressing in the report any comments noted by the GFOA and ASBO awards programs. The Auditors will also present the School Division CAFR

to the School Board at a public School Board meeting by November 30th each year, as required by the Code of Virginia.

3.0 PRE-PROPOSAL CONFERENCE

An optional pre-proposal conference will be held at 2:00 p.m. on January 13, 2004 in the Financial & Management Services Conference Room, 120 Alexander Hamilton Boulevard, Yorktown, VA to allow potential offerors an opportunity to present questions and obtain clarification about the Request for Proposal.

General background information on the government and its operations also will be discussed at this time. While attendance at this conference is not a prerequisite to submitting a proposal, Auditors who intend to submit proposals are encouraged to attend.

4.0 PROPOSAL PREPARATION AND SUBMISSION

A. Format of the Proposal

Proposals should be as thorough and detailed as possible so that the County may properly evaluate the Auditor's ability to provide the required services. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.

B. Contents of the Proposal

The Auditor is required to submit the following items as a complete proposal:

(1) Title Page

Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of contact person and date.

(2) Letter of Transmittal that includes the items listed below:

(a) History of the firm, including the number of years in business and size of firm.

(b) A statement by the prospective Auditor of the understanding of the work to be performed with descriptions of the audit approach and illustrations of the procedures to be employed.

(c) The approximate date the audit will begin (including preliminary fieldwork) and end. Also, the approximate dates for delivery of the financial statements and Auditor's reports.

(d) Biographies, including experience, of the individuals who will be assigned to the engagement, relevant experience of each in auditing municipalities, and recent continuing professional education of each.

(e) Names, addresses, and telephone numbers of persons who may be contacted

for reference.

- (f) A copy of the report on the firm's most recent peer review.
- (g) A statement by the prospective Auditor that:
 - (1) The firm is independent of the County of York as that term is defined in the Ethical Rules of the AICPA.
 - (2) The firm and the partner assigned to the engagement are licensed to perform the audit as provided by applicable laws of the Commonwealth of Virginia.
 - (3) The firm has met the peer review standards of the AICPA and *Government Auditing Standards*.
 - (4) The firm will provide adequate supervision on a day-to-day basis.
 - (5) Staff assigned to the audit have met the continuing education requirements required by *Government Auditing Standards*, issued by the Comptroller General of the United States.

C. Right to Reject Proposals

Proposals shall be signed by an authorized representative of the firm. All information requested must be submitted. Failure to submit all requested information may result in the rejection of the proposal.

D. Deadline for Submission

To be considered for selection, the Auditor shall submit a complete response to the Request for Proposal. One (1) original and seven (7) copies of each proposal shall be submitted to the County. Copies of the proposal should be forwarded to T.W. Sawyer, Purchasing Agent, P.O. Box 532, 120 Alexander Hamilton Boulevard, Yorktown, VA 23690-0532 no later than 5:00 p.m. on January 30, 2004. The proposal should clearly be marked "Request for Proposal (RFP) No. 1364 - Audit Services."

E. Inquiries

Inquiries concerning the request for proposal should be directed to: Denise Messick, Buyer, P.O. Box 532, 120 Alexander Hamilton Boulevard, Yorktown, VA. 23690-0532.

5.0 EVALUATION AND AWARD CRITERIA

A. Evaluation of Proposals

Proposals submitted will be evaluated by the County's Audit Evaluation Committee

B. Evaluation Criteria

Evaluation criteria shall include the following:

- (1) The specific plans or methodology to be used in performing the audit (i.e., the audit approach).

- (2) The skill, experience and training of the specified persons who will be performing the services requested.
- (3) The prior experience and reputation of the Auditor in auditing local governments similar to the County.
- (4) References from other local governments or clients.
- (5) Stated ability to complete the audit and submit the financial statements and Auditor's reports to the Auditor of Public Accounts by the required deadline.

C. Award of Contract

Two or more offerors deemed to be fully qualified and best suited among those submitting proposals will be identified on the basis of the evaluation factors stated in the Request for Proposal.

Repetitive informal interviews shall be permissible wherein, offerors are encouraged to elaborate on their qualifications, performance data, staff expertise pertinent to the proposed services, as well as alternate concepts.

At the conclusion of discussions, outlined above, on the basis of evaluation factors published in this RFP and all information developed in the selection process to this point, the Evaluation Committee shall select, in the order of preference, two or more offerors whose professional qualifications and proposed services are deemed most meritorious.

Negotiations will then be conducted beginning with the offeror ranked first. If a contract which is satisfactory and advantageous to the public body can be negotiated at a price considered fair and reasonable, the award will be made to that offeror. Otherwise, negotiations with the offeror ranked first will be formally terminated and negotiations conducted with the offeror ranked second, and so on until a contract can be negotiated at a fair and reasonable price.

Should the Evaluation Committee determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror. (Code of Virginia, 2.2-4301.) At any time during the negotiations, the Purchasing Office may terminate all negotiations and re-advertise the requirement.

6.0 PAYMENT TERMS

Interim billings shall not exceed 80% of the total fee and shall be no more than four (4) times during the audit period covered (e.g. July 15th, Sept. 15th, Oct. 15th, and final payment). Final payment shall be made upon acceptance of the report by the Board of Supervisors and receipt of all other reports and letters outlined in this document. A fee schedule shall be negotiated with the successful offeror.

Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than is necessary under ordinary circumstances, the Auditor shall inform the appropriate level of management in writing of the need for such additional investigation and the mutually agreed upon additional compensation to complete the investigation, prior to the commencement of any such work.

7.0 GENERAL TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

A. SUBMISSION OF PROPOSAL: Failure to submit a proposal in accordance with the requirements set forth in this solicitation may be cause for rejection of the proposal. The County reserves the right to decide, on a case by case basis, in its sole discretion, whether or not to reject such a proposal.

B. CLARIFICATION OF TERMS: If any prospective offeror has questions about the terms contained in the solicitation documents, the prospective offeror should contact the individual named in Section 4.E., no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum by the County.

C. APPLICABLE LAWS AND COURTS: This solicitation and the resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Auditor shall comply with applicable federal, state, and local laws and regulations.

D. ANTI-DISCRIMINATION:

By submitting its bids or proposals, Auditor certifies to the Owner that it will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Act of 1975, as amended, and Section 2.2-4311 of the Virginia Public Procurement Act which provides:

In every contract over \$10,000, the provisions of a. and b. below apply:

a. During the performance of this Contract, the Auditor agrees as follows:

The Auditor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The Auditor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

Auditor, in all solicitations for advertisements for employees placed in behalf of Auditor, will state that Auditor is an equal opportunity employer.

Notices, advertisements and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Auditor that the Auditor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- b. Contractor will include the provisions of a. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
 - c. In accordance with §2.2-4343.1 of the **Code of Virginia, et. seq.**, the owner shall not (i) discriminate against a faith-based organization as defined in Code of Virginia section 2.2-4343.1(B) on the basis of the organization's religious character or (ii) impose conditions that (a) restrict the religious character of the faith-based organization, except as provided in subsection F of section 2.2-4343.1 the Code of Virginia, or (b) impair, diminish, or discourage the exercise of religious freedom by the recipients of such goods, services, or disbursements.
- E. **ETHICS IN PUBLIC CONTRACTING:** By submitting its proposal, the Auditor certifies that its bids or proposals are made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with its bid or proposal, and that it has not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.
- F. **IMMIGRATION REFORM AND CONTROL ACT OF 1986:** By submitting its proposal, the Auditor certifies that it does not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

- G. **QUALIFICATIONS OF PROSPECTIVE BIDDER:** The County may make such reasonable investigations as it deems proper and necessary to determine the ability of the firm proposing to perform the work. The County reserves the right to reject any proposal if the evidence submitted by the firm, or investigations of the firm, fail to satisfy the County that the firm is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.
- H. **CHANGES TO THE CONTRACT:** The County may order changes within the general scope of the contract at any time by written notice to the Auditor. The Auditor shall be compensated for any additional costs incurred as a result of such order. Said compensation shall be determined by mutual agreement between the parties in writing.
- I. **DEFAULT:** In case of failure to deliver services in accordance with the contract terms and conditions, the County, after due oral or written notice, may procure them from other sources and hold the Auditor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that the County may have.
- J. **CANCELING OR AMENDING A SOLICITATION:** The County may cancel or withdraw a solicitation in whole or in part and reject any and all proposals at any time prior to an award. The County also may amend the solicitation by the issuance of an addendum prior to the time set for receipt of response.
- K. **CLAIMS:** Contractual claims for money or other relief shall be submitted in writing no later than sixty days after final payment; however, written notice of the Auditor's intention to file such claim must be given at the time of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work. Precedence of claims shall not delay payment of amounts agreed due in the final payment.

8.0 SPECIAL TERMS AND CONDITIONS

- A. **AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that the County shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- B. **CANCELLATION OF CONTRACT:** The County reserves the right to cancel and terminate the resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Auditor. Any contract cancellation notice shall not relieve the Auditor of the obligation to complete an audit commenced before the effective date of the cancellation.
- C. **EXTENSION OF CONTRACT:** The contract to be awarded may be extended by the County upon written agreement of both parties for up to four (4) additional one-year

terms under the terms of the contract; such agreement to be extended ninety days prior to the expiration of the contract.

- D. **FILING REQUIREMENTS:** The prospective bidders are reminded that the audit contract will be filed with the Auditor of Public Accounts, Commonwealth of Virginia.
- E. **RETENTION OF WORKING PAPERS:** The Auditor hereby agrees to retain all books, records and other working papers relative to this contract for five (5) years after final payment. The County, its authorized agents, and/or state and federal auditors shall have full access to and the right to examine any of said materials during said period.
- F. **SUBCONTRACTS:** No portion of this work shall be subcontracted without prior written consent of the County. The Auditor shall, however, remain fully liable and responsible for the work to be done by the subcontractor(s) and shall assure compliance with all requirements of the contract.

SAMPLE CONTRACT

Audit Contract

Agreement No. _____

This contract, entered into this ____ day of _____, 2004 by and between _____, hereinafter called the "Auditor," and the Board of Supervisors of the County of York, Virginia, hereinafter called the "County," is as follows:

Article I: Scope of Work

The Auditor shall provide the services outlined in the contract documents, which shall consist of the County's Request for Proposals No. 1364 (RFP), dated December 30, 2003, the auditor's Proposal to Provide Auditing Services, dated _____, 2004, and this contract. The services shall include an audit of the financial statements of the County beginning with Fiscal Year 2004, with the option to renew up to four (4) additional one (1)-year terms, subject to the availability of funds.

Article II: Completion

Both parties agree that time is of the essence in the performance of this contract. However, unavoidable delays shall not render the contract invalid or voidable provided the Auditor promptly furnishes the County with the cause thereof and the estimated completion date.

Article III: Payment

The County shall pay the Auditor a fee of _____ dollars (\$_____) in consideration of satisfactory performance of the provisions of this contract as they pertain to Fiscal Year 2004. The fee for Fiscal Years 2005 through 2008 shall be negotiated and approved by the Board of Supervisors prior to any extension of this agreement. Interim billing shall be made in accordance with the agreed upon payment schedule as follows: Billing shall occur no more than four (4) times during the audit period beginning July 15, 2004, as follows:

Payment Date	Amount
July 15	\$
September 15	\$
October 15	\$
Final Payment	\$
Total:	\$

Final payment shall be made upon acceptance of the report by the Board of Supervisors and receipt of all other reports and letters outlined in this document.

The School Board shall pay the Auditor a separate fee of _____ dollars (\$_____) in consideration of satisfactory performance of the preparation of the School Board CAFR.

The IDA shall pay a separate fee of _____ dollars (\$_____) in consideration of satisfactory performance of its separate audit and the preparation of the IDA financial statements.

Article IV: Interest of Auditor

There are no other contracts between the parties hereto, and no other contracts relative hereto shall be enforceable unless entered into, in writing, between the parties hereto.

Article V: Nonassignability

Both parties agree that this contract is for personal services and cannot be transferred or assigned by either party without the prior written consent of the other.

Article VI: Completeness of Contract

This document, executed in duplicate, contains all the terms and conditions of this Contract, and any alterations or variations of the terms of this Contract shall be invalid unless made in writing and signed by the parties. There are no other understandings, representations or agreements, written or oral, not incorporated herein.

Auditor

Board of Supervisors of York County
Governing Body

By: _____

By: _____
James O. McReynolds
County Administrator

Approved as to form:

James E. Barnett, Jr.
County Attorney